Category Management—
An Introduction To The Process

Introduction

The changing marketplace of the '90s demands increasingly complex marketing strategies. Today's retailers, distributors and suppliers must work together and customize offerings to meet consumer needs. Category management could be the process you need to achieve your business goals.

In this section, we'll explore the following areas:

- ▲ **The Basics**—A definition of category management with an overview of the guiding principles
- ▲ **The Groundwork**—The company-wide strategies that create the necessary framework for category management
- ▲ **The Steps**—A step-by-step process that brings basic category management to life
- ▲ **The Workbook**—Some of the questions you'll need to answer before implementing category management in your store
- ▲ **The Reference Guide**—Behind the Resource Materials tab, you'll find statistical data on the three key categories: tobacco, confection and beverage, including resource information from suppliers and McLane

McLane's goal is to help engineer a shift in industry practice from merely buying and selling merchandise to actually marketing to consumers' needs. And we believe category management stands out as the most innovative and helpful management tool to date—and a logical extension of key elements the Consumer Value Program has provided in the past.

Through CVP, McLane will continue building on the basic principles of category management with national industry trends and additional category information—in an easy-to-understand format. However, keep in mind that scanner data is not readily available for the convenience industry, so the industry trends and category information will not be region-specific. So roll up your sleeves. And let's get started!

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The Basics

What is category management?

McLane defines category management as:

> **A consumer-based approach for generating volume and profit growth for a specific category. Working together, retailers, distributors and suppliers meet consumer demand by systematically focusing on each category as a single business unit and formulating strategic plans accordingly.**

Category management is consistent with the Consumer Value Program's philosophy of consumer-driven retailing. The primary focus is to satisfy the customers' needs through research and well-planned marketing. This makes category management a logical extension of our work thus far, capitalizing on our learning of the "4 P's" of Merchandising: product, place, price and promotion.

The business unit concept, as it pertains to category management, uses the "4 P's" to manage each category. In other words, instead of a promotion and pricing policy that applies to all categories, category management plans these activities for each category as a unit—meeting the wants and needs of consumers more effectively.

Why use category management?

Category management helps you focus on the consumer, make better decisions, and respond quickly to changing market demands and competitive activities. This gives you many advantages over the competition. And it helps you make better use of your assets (cash, inventory, people, etc.) to increase overall sales and profits.

How does category management relate to the c-store industry?

Category management moves the emphasis from "selling convenience" to meeting your customers' needs. And category management brings you up to speed with other fast-growing retail segments. Mass merchandisers, wholesale clubs, "category killers" and most supermarkets already use these principles.

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The Basics

What are the guiding principles of category management?

There are three simple principles that will help you put category management to work building your business.

1. Teamwork

The established, traditional roles of retailer, distributor and supplier must change to create a new partnership and spirit of cooperation.

THE ROLE OF THE RETAILER

- ▲ Establish overall company mission and objectives
- ▲ Create an organization that allows the process to function
- ▲ Activate the process of category management throughout the organization
- ▲ Share and exchange critical data with the distributor and supplier

THE ROLE OF THE DISTRIBUTOR

- ▲ Develop a process to help the retailer activate category management
- ▲ Deliver timely, accurate category information periodically
- ▲ Provide tools, technology and other resources for the retailer
- ▲ Become an active participant in the process, not just a delivery system

THE ROLE OF THE SUPPLIER

- ▲ Develop plans with retailers and distributors
- ▲ Provide category and consumer information
- ▲ Share available tools to facilitate the process
- ▲ Participate in the entire process with the distributor and the retailer

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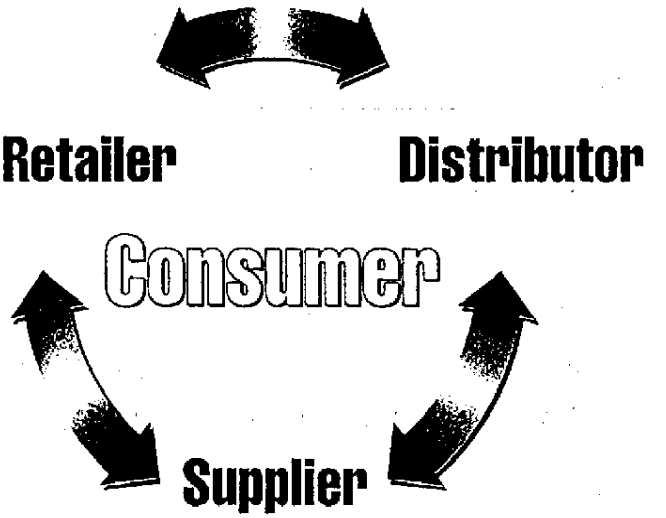
The Basics

CATEGORY MANAGEMENT PROCESS



2. Evaluation

Once participants are working as a team, category management should be used as a road map to create action plans and evaluate results.

CATEGORY MANAGEMENT IS A ROAD MAP

When used properly, category management can be your guide to accomplishing objectives and evaluating results. It can eliminate guesswork, assist in organizing plans, and help you avoid missing important steps in the business management process.

CATEGORY MANAGEMENT ESTABLISHES MEASURABLE OBJECTIVES

This replaces the "idea" of selling more product this year than last year with an actual plan to make it happen. Plus, category management aids in establishing plans and checkpoints to achieve your objectives. And helps guide you toward increased sales and profits while allowing for adjustments if goals are not met.

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3. Consumer understanding

Category management puts consumer research to work in the designing of category roles and strategic plans. This step makes the information a true advantage in planning instead of just "information that's nice to know."

CONSUMER RESEARCH AND CATEGORY MANAGEMENT

Putting consumer information to work during the category defining stages makes the research useful—rather than just statistics. For example: Who is the consumer? What do they buy? Why do they buy? When do they buy (Time of day, weekends, holidays, etc.)? How do they buy (e.g., single or multi-pack)?

This sort of information can be critical to formulating product strategies and giving consumers what they want.

EMERGING TRENDS

Category management helps highlight important business trends. By knowing your consumers' preferences—including what's hot and what's not—you can increase your store's performance.

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The Groundwork

Before starting the step-by-step process, conduct a thorough review of your company's marketing framework. It's also good to establish alliances with your distributor and suppliers to capitalize on their resources and assistance. The following information will help serve as a reminder or guideline for your store.

Define your mission

Write a mission statement of the goals you want to accomplish as a company. Most retailers write exactly how they want to be viewed by their organization, customers and competitors. Your category management strategies should be based on your company's mission.

There are as many missions as there are retailers. One owner may prefer being the retailer of choice who gives their customers the fastest, friendliest service. Another might want to be the gasoline and convenience food retailer—providing low-cost, quality gasoline and staple convenience products at everyday low prices. The point is to state in writing why you are in business and what you, as a company, want to accomplish.

Target the right customers

Given your mission statement, who are the customers that you want to attract? If your store is an "everyday low-price store" target heavy users of staple items like beer, soft drinks and cigarettes. If you're the "fast-food store" target on-the-go users of fast-food items. And remember, a little consumer research goes a long way in determining your customers' needs.

Develop and communicate your positioning

Now that you've determined your mission, it's important to portray your store's image to the consumer. What are your strengths as a business? Do you have any unique advantages over your competition? What do you offer that no one else does? These are just a few of the questions you may ask to differentiate yourself from the crowd. The image should create a niche in the customers' minds for your product or service. Some common positions are: "upscale c-store," "everyday low prices," and "fast and friendly." Whatever your store's image, tell your customers through advertising, PR, signage—in every way you communicate with the customer.

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The Groundwork

Establish key distributor and supplier alliances

Strong working relationships can help you achieve goals and fulfill your mission. By sharing your mission and image, key distributors and suppliers are able to work with you. Both can provide consumer research and success stories that may help you achieve your goals. For instance, if you have an "upscale" image your key suppliers may be beverage, coffee and fast-food companies. If you have an "everyday low price" image your key suppliers might be beverage, cigarette and snack-food companies. In most cases there is an overlap, but focus on manufacturers that match your individual store's image.

Set financial objectives

Establish overall and/or individual store financial objectives, the most important of which are sales, profit and inventory turnover. Each organization determines the list of specifics that are important to measure throughout the year.

It's a good idea to set your goals on a total company and average per store basis, and review against actual results monthly, quarterly and annually. They are based on internal needs, previous performance and industry trends. As the category strategies are written and goals set, all categories should add up to the total sales and profit objectives for the entire store.

An example of sales and profit objectives for a typical 100 store chain might look like this:

100 STORE CHAIN

Objective	1993 Actual	1994 Goal
Total Sales	$60 million	$63 million
Average Sales Performance	$600,000	$630,000
Gross Profit	$20.4 million	$21.42 million
Average GP dollars per store	$204,000	$214,200
Gross Profit Margin	34.0%	34.0%

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The Steps

The following eight steps are an introduction to category management. Since this is a relatively new concept that continues to evolve, there are many ways to approach the process. This one organizes category management in a way that may work for you. However, each retail organization can make adjustments to the order of steps, or to the steps themselves.

STEP 1: DEFINE THE CATEGORY
Study the categories, subcategories and their specific products

STEP 2: ANALYZE THE CATEGORY
Review sales data, emerging trends, implications

STEP 3: ESTABLISH CATEGORY ROLES
Define the specific role each category will play

STEP 4: SET CATEGORY OBJECTIVES
Determine sales, profit, merchandising goals

STEP 5: DEVELOP CATEGORY STRATEGY
Plan a specific strategy for each category, including pricing, product mix, promotional calendar and in-store merchandising

STEP 6: WRITE AN ACTION PLAN
Design a road map to follow and check throughout the year

STEP 7: IMPLEMENT THE PLAN
Put your action plan to work

STEP 8: EVALUATE THE RESULTS
Compare your results against your plans, goals and objectives

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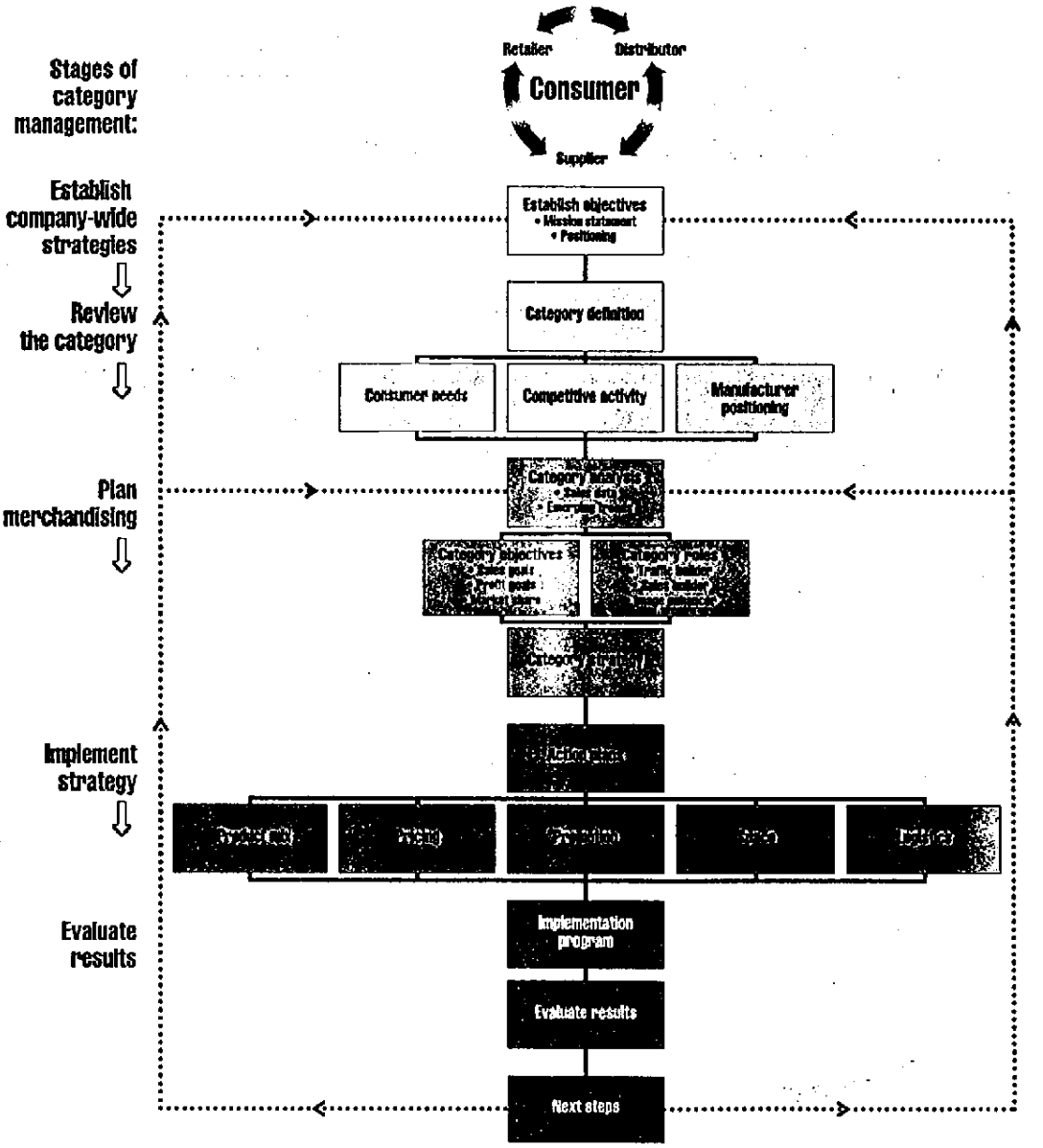
CATEGORY MANAGEMENT PROCESS



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Step 1: Define The Category

Accurate definitions allow the process to run smoothly. This step makes strategic planning easier since you know what products are in each category. And while it sounds easy, almost unnecessary, without this step the whole process can be confusing. Remember, it's rare that all retailers, distributors and suppliers will agree with any given category definition. So the definition you use must work for your organization and customers.

Gather information on industry definitions

First, look at how categories are traditionally defined in the c-store industry. Research periodicals, attend trade shows and discuss the topic with people in the industry. Second, review the distributor and supplier definitions. Finally, consider how your customers see each category. After all, they are the most important people in the process.

As we've discussed, definitions tend to vary within the industry. For example, the convenience industry traditionally views the beverage category as all packaged drinks, but includes coffee and fountain drinks within the fast-food category. The consumer, on the other hand, thinks the beverage category is anything they drink. The final decision rests with you, but design definitions with your customer in mind.

List the categories

Write a list of the products that fall into the individual categories as you see them. Defining categories involves an understanding of broad categories and the subcategories contained in these large groups. There are roughly 10–15 common, accepted broad categories such as beverage, tobacco, confection, fast foods, grocery, and health and beauty care. This broad definition is the first phase of the actual category defining process.

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Step 1: Define The Category

Break categories into subcategories

Within each category, subcategories exist, which can often require different merchandising and promotion strategies. For instance, under your beverage category you may have subcategories of milk, juice, water and alcoholic beverages.

The entire beverage category could be subcategorized to more closely align definitions with consumer purchasing behavior.

At-home family beverages	Milk, carton juice, 32-oz. and larger juices, 2-liter soft drinks
Immediately consumed refreshment beverages	Fountain and packaged soft drinks, single-serve beverages
Morning breakfast beverages	Coffee, hot tea, hot chocolate, single-serve juices
Social beverages	Multi-pack beer, soft drinks

Emerging trends may affect your definition of subcategories—for example, water and juice may be trending up, while beer may be trending down. As a general subcategory guideline, group products together that have similar characteristics (e.g., products the consumer views as interchangeable or products with the same promotion and merchandising traits). You'll find other categories like confections and tobacco will break down in a comparable fashion.

Finalize

Review all of the information that you have gathered on the category. Once you've set definitions, your list of categories and subcategories should include every item in the store.

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Step 2: Analyze The Category

Analyze the sales activity and emerging trends in the category. This helps determine sales potential and new opportunities and uncovers why products and categories perform the way they do. Developing an understanding of the categories is essential to defining strategies and understanding your consumers' needs.

Sources of information

Consult industry publications and attend trade shows as well as local and state conventions. In addition, the CVP manual contains information on all key product categories—and distributors and suppliers may be the best and most economical source at your disposal.

Understand your customer

Since category management is a consumer-based approach to running your store, knowledge about your customer is critical. Your average customer's age, sex, income level, buying preferences and shopping habits are just part of the information that will help you understand your customer. This information is also available from the sources referenced above, and you'll find an additional list in the Workbook section.

Facts and figures

In addition to the specific sales and historical data that you need (which are listed in part in the Reference Guide), research on emerging trends will help complete your analysis. It will be necessary to evaluate how the category reacts to variables such as the "4 P's" of Merchandising and how each of these affects sales trends.

Analyze and interpret category data

After all the information gathering is complete, review the data and evaluate how you will manage the category. Your findings will ultimately translate into the strategy and tactics used to achieve your category objectives.

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Step 3: Establish Category Roles

This step may have been done informally in previous planning, but a formal role establishes a purpose for each category within your store. How you use a category will dictate your merchandising strategies and ensure that each category is working to achieve the overall company plan.

The following examples give definitions of various roles and how categories could fit into these roles. In addition, a completed planning matrix is provided as a guide, and you'll find a blank planning matrix in the Workbook.

Establish broad category roles

Of course you should assign category roles as they relate to your store. The following broad roles should accommodate all products:

Destination items	Items customers specifically visit your store to buy
Fill-in items	Items customers buy between regular shopping visits to other stores
Impulse	Items customers buy when they get to the store that are not a planned purchase
Seasonal	Items customers buy primarily during specific times of the year

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Step 3: Establish Category Roles

Establish subcategory roles

Within the broad roles, each subcategory will also be assigned a specific role. Again, design your category roles to fit your store's needs. For example:

Traffic builder	Brings customers into the store Example: Pack cigarettes with a "hot price"
Profit builder	Increases overall gross profit mix of store Example: Juice category at a high margin
Image enhancer	Reinforces the overall image of the store Example: Fresh salad bar
Transaction builder	Increases size of the customer's average purchase Example: Products with average retail value over $5.00
Key category builder	Increases sales through tie-in purchase Example: Pastry used as a tie-in to generate added sales on coffee, a key category

Design a merchandising plan

Category roles work in conjunction with merchandising to help develop the strategies for each product category. The merchandising plan for specific tactics like promotion, pricing, space management and product assortment can be tailored to fit the category role.

An example of how this would work could be seen by studying soft drinks. If soft drinks are designated the role of traffic builders, the pricing strategy will generally reflect low prices to attract customers to the store. Also, the space devoted to soft drinks may increase due to sales growth and holding power on the shelf may have to be expanded. This sequence of planning makes it unnecessary to revisit the strategy of each category if the results are meeting established objectives.

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Step 3: Establish Category Roles

Here is how the category planning matrix might look for the beverage category.

CATEGORY ROLE PLANNING MATRIX CHART

Broad Category Roles	Category	Traffic Builder	Profit Builder	Image Enhancer	Transaction Builder	Key Category Builder
Destination: Customers come specifically to buy this product	Beverages	Beer Fountain, Single soft drinks		Water		
Fill-In: Purchased between regular shopping visits to other retail outlets	Beverages	Take-home soft drinks	Multi-pack soft drinks	Milk, Large carton juices	Case Beer	
Impulse: Not a planned purchase, decision to buy is made in-store	Beverages		Single Soft Drinks		Case Soft Drinks	3-Liter Soft Drinks
Seasonal: Purchased primarily during specific times of the year	Beverages		Eggnog			

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Step 4: Set Category Objectives

Setting category objectives keeps you on track to achieve your overall sales and profit strategies, and assists you in measuring your accomplishments. Make sure your category objectives are consistent with the category's role. If a category is defined as a traffic builder and sales are expected to increase at a lower than historical profit margin, the sales and profit goals you set must reflect these plans.

Ask yourself these key questions

How did the category perform last year? How did the industry sales perform last year? Do the objectives match the category role? What is the seasonal nature of the category? And how does it affect the plan? Is the objective consistent with overall company objectives?

There may be specific objectives that you will want to establish for category objectives. The most typical are set for sales, profit, turnover and Return on Inventory Investment (ROII). All should be set monthly and annually, both for the whole company and on a single store basis.

You may find that informal objectives can meet your needs in the development of a category. Take fast foods: If you want to develop your hot dog business you could set a goal of selling 20 per day. Or you may want to sell a certain number of bagels each morning. The point is objective setting doesn't have to be complicated—it can be informal.

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Step 4: Set Category Objectives

Here is an example of how specific financial objectives might look for a category.

CIGARETTE CATEGORY OBJECTIVES

	1993 Actual		1994 Actual		
Objective	Per Month	Per Year	Per Month	Per Year	% Change
Sales	$9670	$116000	$10500	$126000	+86
Gross Margin	25%	25%	25%	25%	
Gross Profit	$2418	$29000	$2625	$31500	+86
Avg. Monthly Inventory at Cost	$5000		$4800		-3.8
Turnover		17X		19X	+47
ROII	$568		$658		+154
Others					

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Step 4: Set Category Objectives

Return On Inventory Investment

While sales, profit, and turnover are common measures of performance, Return on Inventory Investment may be the best way to determine item or category performance. ROII combines the effect of all three performance measures: Sales, gross profit, and turnover. In its simplest terms, ROII allows you to tell how the investment in your inventory is performing.

Furthermore, it provides a standard of comparison for categories, items and overall store profitability. Decisions on what items or categories to stock, and how much space to allocate, can be based on the Return on Inventory Investment measure.

For example, if the ROII for the entire store is $7.00, you may make certain merchandising decisions for items or categories that perform below this level. Likewise, those products that perform above the store average might be given more favorable space and merchandising attention in general.

One way to calculate ROII is by using the following formula:

$$\frac{\text{Annual Gross Profit}}{\text{Average Inventory at Cost}} \quad \text{or} \quad \frac{\text{Turnover X Gross Margin \%}}{\text{1 Minus Gross Margin \%}}$$

This formula can be used for the entire store, one category, or one item. In the preceding example on cigarettes, the arithmetic works like this:

$$\frac{\$29{,}000 \text{ (Annual Gross Profit)}}{\$5{,}100 \text{(Average Inventory at Cost)}} = \$5.68$$

As a reminder, here are the formulas to complete the ROII calculations:

$$\text{Annual Gross Profit} = (\text{Average Retail} - \text{Average Cost}) \times 12$$

$$\text{Turnover} = \frac{\text{Total Annual Sales}}{\text{Average Inventory}}$$

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Step 4: Set Category Objectives

The chart below can also be used as an easy reference to calculate the ROII. To calculate the return on each dollar invested in inventory, find the gross margin of the product. Then follow over to the Annual Turnover Rate. Where they intersect is the Gross Profit Per Inventory Dollar.

For example, a product that has a gross margin of 24% and a turnover rate of 31 times would equal a $9.79 Annual Gross Profit Per Inventory Dollar.

ANNUAL GROSS PROFIT PER INVENTORY DOLLAR

Annual	GROSS MARGIN PERCENTAGE											
Turns	12%	14%	16%	18%	20%	22%	24%	26%	28%	31%	35%	40%
11	1.50	1.79	2.10	2.41	2.75	3.10	3.47	3.87	4.28	4.94	5.92	7.33
15	2.05	2.44	2.86	3.29	3.75	4.23	4.74	5.27	5.83	6.74	8.08	10.00
19	2.59	3.09	3.62	4.17	4.75	5.36	6.00	6.68	7.39	8.54	10.23	12.67
23	3.14	3.74	4.38	5.05	5.75	6.49	7.26	8.08	8.94	10.33	12.39	15.33
27	3.68	4.40	5.14	5.93	6.75	7.62	8.53	9.49	10.50	12.13	14.54	18.00
31	4.23	5.05	5.91	6.80	7.75	8.75	9.79	10.89	12.06	13.93	16.69	20.67
35	4.77	5.70	6.67	7.68	8.75	9.87	11.05	12.30	13.61	15.73	18.85	23.33
39	5.32	6.35	7.43	8.56	9.75	11.00	12.32	13.70	15.17	17.52	21.00	26.00
43	5.87	7.00	8.19	9.44	10.75	12.13	13.58	15.11	16.72	19.32	23.16	28.67
47	6.41	7.65	8.96	10.32	11.75	13.26	14.84	16.52	18.28	21.12	25.31	31.33
51	6.96	8.30	9.72	11.19	12.75	14.39	16.11	17.92	19.83	22.91	27.46	34.00
55	7.50	8.95	10.48	12.07	13.75	15.52	17.37	19.33	21.39	24.71	29.62	36.67
60	8.18	9.77	11.43	13.12	15.00	16.93	18.95	21.07	23.33	26.96	32.31	40.00
65	8.87	10.58	12.38	14.27	16.25	18.34	20.53	22.83	25.28	29.20	35.00	43.34

If the annual turnover of the product, or the gross margin cannot be found on this chart, here is the formula using the cigarette example:

$$\frac{\text{Turnover X Gross Margin \%}}{\text{Inventory Cost or 1 Minus Gross Margin \%}} \qquad \frac{17 \text{ X } .25}{1 - .25} = \frac{\$4.25}{\$.75} = \$5.68$$

Whichever formula or chart is used, in general, products or categories providing a higher ROII or gross profit per inventory dollar will yield greater return for your store. This measure is simply another way to evaluate product performance in order to make more informed merchandising decisions.

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Step 5: Develop Category Strategy

Develop category strategies under the "4 P's" of Merchandising. For additional information on these elements see the Merchandising section of the CVP Planning Guide.

Ask yourself these key questions

Will this strategy satisfy my consumers' needs? Are the specific strategies consistent with the category role? Will the strategy achieve the sales, profit and turnover goals?

Confections—a test case

To explain this step we'll use the confection category as a test case on how a completed category strategy might look. Keep in mind this is completely hypothetical and is intended to show how the "4 P's" of Merchandising are used in a specific category plan. We'll base our discussion on the following assumptions:

CATEGORY STRATEGY PLAN: CONFECTIONS

- ▲ Broad role: Impulse
- ▲ Category role: Profit builder, key category builder
- ▲ Previous year sales: Declined 2%
- ▲ New year sales target: Set to increase sales 2%
- ▲ Previous year gross profit margin: 40%
- ▲ New year gross profit margin: 42%
- ▲ Previous year's promotions: 6 shippers at regular price; no other promotions during the year; no seasonal displays

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Step 5: Develop Category Strategy

TEST CASE: CONFECTION PRICING STRATEGY

- ▲ Maintain current pricing to achieve margin target
- ▲ Do not reduce price on promotions
- ▲ Single unit price on all items
- ▲ Raise retail pricing upon manufacturer price increases to achieve margin

TEST CASE: CONFECTION PROMOTION STRATEGY

- ▲ Use manufacturer shipper promotions at regular price once per month
- ▲ Schedule quarterly tie-in promotions with soft drinks (2) and fountain drinks (2)
- ▲ Advertise all promotional activity with in-store POP materials
- ▲ Plan two major seasonal promotions around Halloween and Easter

TEST CASE: CONFECTION PLACEMENT STRATEGY

- ▲ Maintain existing permanent gondola space
- ▲ Expand space for additional impulse sales using vendor displays in the following areas:
  - ◆ Checkout counter
  - ◆ Refrigerated vault
  - ◆ Fountain drink center

TEST CASE: CONFECTION PRODUCT ASSORTMENT

- ▲ Review current industry data to ensure top 80% of category
- ▲ Add new items in the assortment to satisfy customer demand
- ▲ Assign carrying criteria and phase out non-performing items

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Step 6: Write An Action Plan

This will provide a road map for you to follow with checkpoints throughout the year. Your action plan also allows for plan changes as they become necessary due to organizational restructuring, or specific category targets not being met.

Communicate your plan

Your action plan is a communication tool that coordinates activities between category managers and merchandising departments—answering what should change, who should make the change, and when it should change. It also covers the key merchandising elements and what needs to be completed in each case as in the examples that follow:

Pricing	Price changes, markups, markdowns
Promotions	Calendar, signage, advertising plan, manufacturer funding and retail service assistance
Placement	Resets, schematic changes, display fixtures, in-store support
Product	New items, deleted items, markdowns, return procedures, manufacturer and distributor involvement

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Step 6: Write An Action Plan

CATEGORY MANAGEMENT ACTION PLAN (EXAMPLE)
Category: Beverages
Subcategory: Juice
Category Role: Impulse, Profit Builder
Sales Goal: $465 per store per month **Margin:** 38%
Time Period: 1st Quarter

Action	Pricing	Promotion	Placement	Product
What?	Change prices in Dist. 12, 14, 75	Finalize calendar, Source mfg funding	Change dept. schematic	Items deleted, added
Who?	Pricing coord., Distributor, Store manager	Category manager, Distributor, Store managers	Distributor, Suppliers, Store managers	Pricing, Suppliers, Stores, Distributor
When?	To pricing 12/15, To distributor 11/30, Store mgr. 1/1	1st Qtr. complete by 11/25	Schematic by 10/31, Reset stores begin 1/15, Finish 3/1	
Other?				

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Source: https://www.industrydocuments.ucsf.edu/docs/jrjy0000

Category Management—
An Introduction To The Process

Step 7: Implement The Plan

This is probably the most critical step of all—without smooth implementation of your action plan, even the best plan can fail. This involves communication among all levels of your organization, especially with the store manager. The implementation step also prepares the technology and systems to track the information while establishing open, clear communication.

How the "4 P's" fit in the action plan

Pricing	What pricing philosophy changes or specific pricing actions will occur
Promotion	Defines promotion calendar, change in philosophy, display locations, all details
Placement	Schematic changes, new fixtures, manufacturer and distributor involvement
Product	New items, deleted items, markdowns, return procedures

51846 8120

Source: https://www.industrydocuments.ucsf.edu/docs/jrjy0000

Category Management—
An Introduction To The Process

Step 7: Implement The Plan

An implementation plan details the information participants need to carry out the action plan for the category. For example:

CATEGORY MANAGEMENT IMPLEMENTATION PLAN
Category: Beverages
Subcategory: Juice
Time Period: 1st Qtr.

Key Activity	Supplier	Distributor	Store Manager
Pricing	None	New prices input 12/15	Price 1/1 Markup 1/1 Signs 1/1
Promotion	Supply signage by 12/15 for 1st Qtr. Deliver product by 12/15	Order by 11/30 Deliver by 12/31	Displays 1/5 Signage 1/5 Plus selling begins 1/5
Placement	Assist stores with resets week of 1/15	New books 12/15 Pick up old product by 2/5	Reset 1/15 Return old product New schematic in book
Product	Deliver new merch to distributor 12/15	Order merch by 11/30 Deliver to stores by 12/15	Ensure new product is ordered
Other?			

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Source: https://www.industrydocuments.ucsf.edu/docs/jrjy0000

Category Management—
An Introduction To The Process

Step 8: Evaluate The Results

Evaluating your plan can be the key to your success in category management. This step helps you check if category objectives are being met, react quickly if they are not, and determine why.

Simple evaluation is not the end of this step, however. If your goals are not being met, some changes may be necessary. Your plans must be flexible enough to allow for this change.

Why goals are not achieved

Several factors may make your plan unsuccessful, such as a change in competition, poor execution or incorrect strategy. Whatever the reason, now is the time to evaluate and correct, before it's too late.

Interview consumers

Have your store managers conduct periodic consumer interviews on an informal basis. This helps you get the customers' views on the store—what they like and what they don't like. This will be especially helpful where new products are concerned.

Compare your numbers

Compare your actual numbers against your store category management plan. Here is an example of how a planning/evaluation grid might look.

Evaluate actual accomplishments vs. your category plan:

AVG./STORE/MO.

Objective	Plan	Actual	Difference
Sales	$1,675	$1,708	+$33
Profit Margin	41%	39%	(4.8%)
Gross Profit	$686	$666	($20)
Turnover	14	12.3	(12%)
ROII	$9.73	$7.86	(19.21%)

51846 8122

Source: https://www.industrydocuments.ucsf.edu/docs/jrjy0000

Category Management—
An Introduction To The Process

Step 8: Evaluate The Results

Consult store managers
They are the best source of implementation feedback. They can tell you if communication among employees is good. If products are being delivered on time, and if they are of good quality. They can also provide information about your vendor support, customer's response and more.

Watch your competitors
Be aware of how they act and react to your business. And conduct occasional pricing surveys and display audits of stores in your area.

Talk to distributors
Wholesale suppliers can provide valuable input such as general category reviews, examples of other retailer successes and failures, and problems with manufacturers. Look to your distributors for upcoming changes as well as cost concessions.

Work with suppliers
If you're having trouble with marketing, product supply, or funding, try your manufacturers. They may be able to assist you in all these areas along with alerting you to category changes that could affect your whole plan.

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Source: https://www.industrydocuments.ucsf.edu/docs/jrjy0000

Category Management—
An Introduction To The Process

Step 8: Evaluate The Results

Evaluate and adapt

What changes, if any, need to be made to achieve the plan? Here are some examples of what might need to take place.

Communications	Improve; restate, reinforce the why behind the program
Implementation	Eliminate out-of-stocks; get displays built, prices right, store managers involved
Pricing	Change prices, price strategy
Promotion	Add, delete, change promotion mix; change promotion pricing structure
Product	Add, delete items Too many items in the mix that prevent turnover from increasing; not enough items in the mix that increase sales; low profit mix that is dragging margin down
Placement	Add display racks; re-do schematic; seek assistance from manufacturers

51846 8124

Source: https://www.industrydocuments.ucsf.edu/docs/jrjy0000

Category Management—
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The Workbook

Reviewing company-wide strategies

Define your mission: What do you want to accomplish as a company? Why are you in business?

Write a mission statement: Write a brief descriptive statement describing your mission.

Target the right customer: Who is your most important customer? Who is it you want to attract to your store?

Develop and communicate your positioning: What do you want your customers to think of you (e.g., everyday low price, fast food, gasoline, hot promotions all the time)? What specific things will you do, or steps will you take to differentiate your store from your competition (e.g., advertising, slogan, customer service)?

51846 8125

Source: https://www.industrydocuments.ucsf.edu/docs/jrjy0000

Category Management—
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The Workbook

Establish distributor and supplier alliances: What specific manufacturers can help you achieve your strategic goals, and establish your retail image? How can your distributors help?

Set financial objectives: Establish sales, profit and other goals for this category.

	Last Year	Objective
Annual Sales	$_____	$_____
Avg. Sales/Store Per Month	$_____	$_____
Gross Profit	$_____	$_____
Avg. GP/Store Per Month	$_____	$_____
Gross Margin	_____ %	_____ %
Turnover	_____ X	_____ X
ROII	$_____	$_____
Others	_____	_____

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Source: https://www.industrydocuments.ucsf.edu/docs/jrjy0000

Category Management—
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Step 1: Define the category

Industry definitions: How does each group define the category?

Consumers:

Traditional convenience:

Suppliers:

Distributor:

Your definition: How will you define this category?

Subcategories: What subcategories are defined within this broad category definition?

Emerging trends: What are the new trends that could affect how this category is defined (e.g., government regulations, taxes, societal changes, fads)?

Item assortment: List all items that are contained in each subcategory (an attachment may be necessary).

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Source: https://www.industrydocuments.ucsf.edu/docs/jrjy0000

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An Introduction To The Process

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Step 2: Analyze the category

CONSUMER INFORMATION NEEDS

Consumption by segment: Age, sex, income, race?

Consumer purchase habits: What's their frequency of purchase? The average amount on each purchase?

Purchase behavior: Planned vs. impulse, etc. Percentage of households purchasing during last three years?

Purchase behavior by trade segment: How does the consumer buy this product/category when shopping in each of the following trade segments? What role does the customer apply to the category when it is purchased in these segments? Destination, Seasonal, Fill-in, Impulse?

Supermarkets:

C-Stores:

Mass Merchandisers:

Drug Stores:

Wholesale Clubs:

Percentage of category sales sold on promotion? At regular price?

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Source: https://www.industrydocuments.ucsf.edu/docs/jrjy0000

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Step 2: Analyze the category (cont)

Other emerging consumer trends:

Research data
What are the total category sales in dollars and units, last three years?

What are the total category sales by trade segment in dollars and units, last three years?
Supermarkets:

C-Stores:

Mass Merchandisers:

Drug Stores:

Warehouse Clubs:

Seasonality: What is the industry % of category sales by month? Are category sales affected by different seasons?

Consumption: What was the per capita consumption for the last three years?

Subcategory sales share of total category: For example, what percentage of total beverage sales are soft drinks?

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Source: https://www.industrydocuments.ucsf.edu/docs/jrjy0000

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Step 2: Analyze the category (cont)

Product group share of subcategory: For example, within the soft drink category, what percentage of a sales are sugared colas, diet colas, etc.?

Emerging sales trends: What's hot, what's not, what's turned cold that you should get out of inventory?

Category merchandising variables: How sensitive is the category to the "4 P's," and how can they be used to achieve objectives? In other words, is this category primarily driven by price? Is it more sensitive to promotional activity? Do section location and product assortment play a part in sales growth? (This information is available from suppliers and distributors.)

Pricing:

Promotional activity:

Placement:

Product assortment:

Competitive merchandising variables: Now that you know how the category performs according to the supplier and distributor, how have you found the "4 P's" to affect category performance in your company? How are your competitors using the "4 P's"?

Pricing:

Promotional activity:

Placement:

Product assortment:

51846 8130

Source: https://www.industrydocuments.ucsf.edu/docs/jrjy0000

Category Management—
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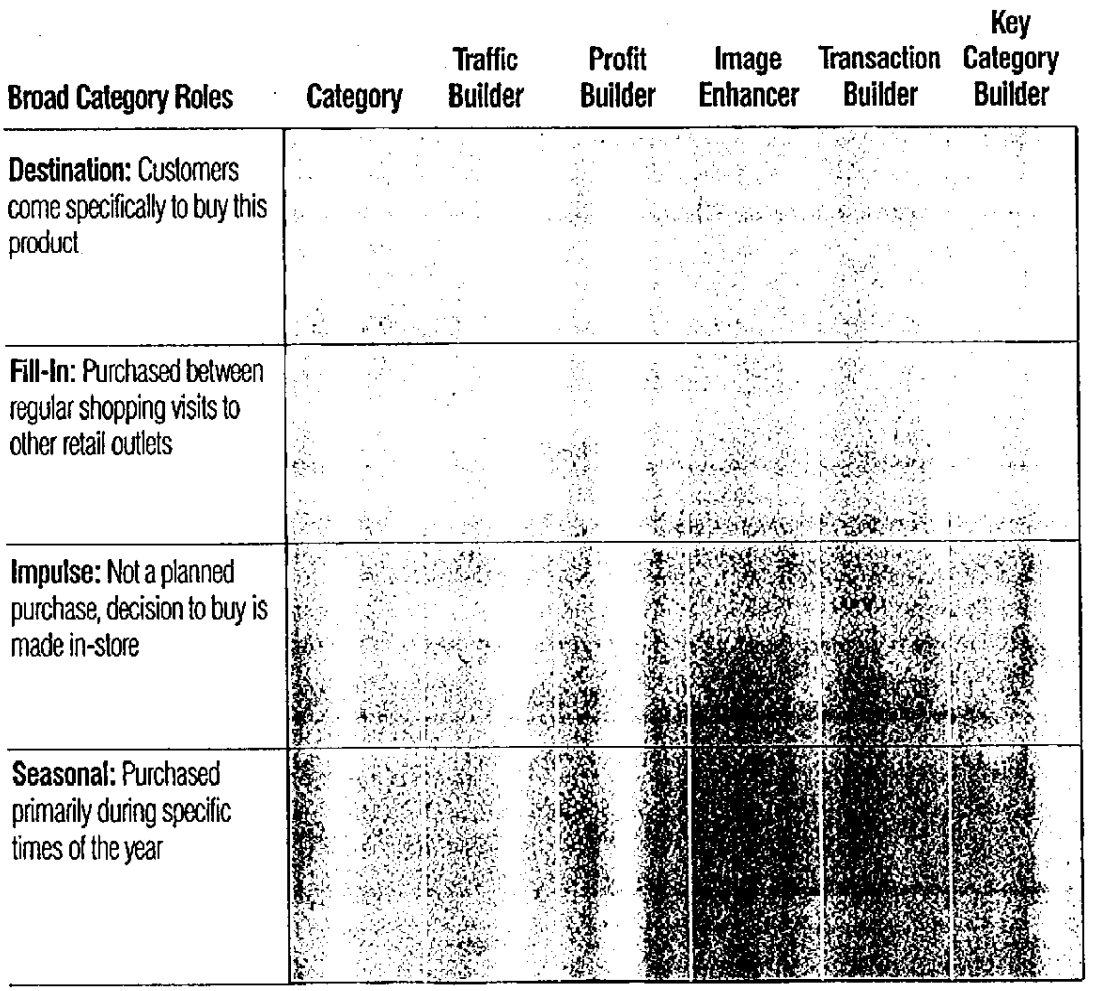
Step 3: Establish category roles

Establish the broad category role for the category: Destination, seasonal, fill-in, impulse?

Establish specific subcategory roles: Traffic builder, Image enhancer, transaction builder, Key category builder?



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Category Management—
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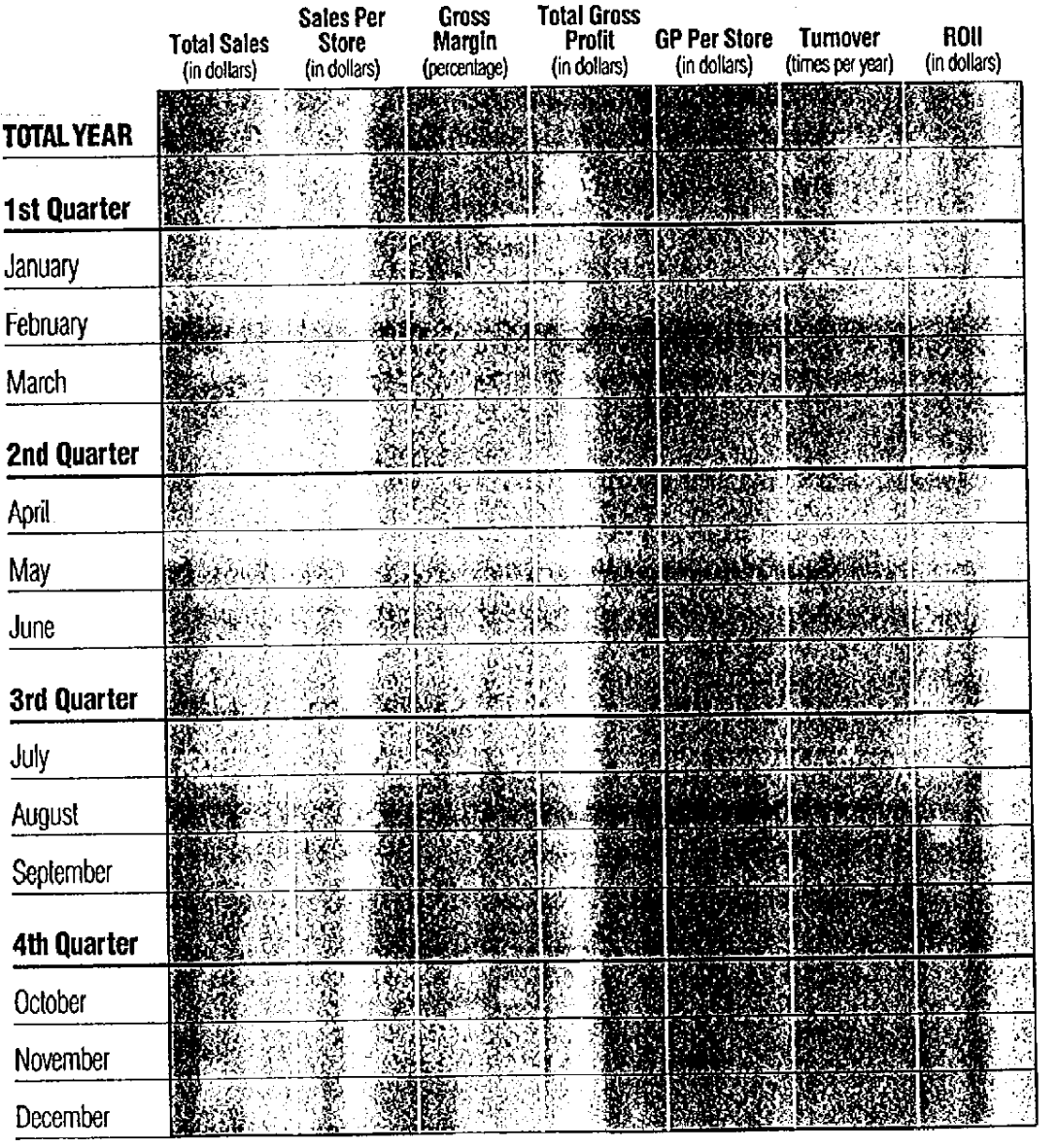
Step 4: Set category objectives



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Source: https://www.industrydocuments.ucsf.edu/docs/jrjy0000

Category Management—
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Step 5: Develop category strategy

Establish specific tactics for each merchandising element:

Pricing: Establish pricing strategy, policy (e.g., everyday low price, raise prices with manufacturer increases, price to achieve margin target).

Promotional plan: What is the strategy for promotions in this category? Write a specific promotion calendar.

Placement: What space will this category occupy in the store? Are changes necessary to existing schematics? Are new/revised display fixtures required?

Product assortment: What items are to be added, deleted from the mix? How will the changes affect the schematics? How is old merchandise marked down or removed from the store? What is the policy for deleting an item? That is, when does an item no longer qualify to be carried?

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Source: https://www.industrydocuments.ucsf.edu/docs/jrjy0000

Category Management—
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The Workbook

Step 6: Write an action plan

Category Management Action Plan

Category:
Subcategory:
Category Role:
Sales Goal:
Profit Goal:
Time Period:

Action	Pricing	Promotion	Placement	Product
What needs to be done?				
Who needs to know? And who needs to do it?				
When does it need to be completed?				
Other?				

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Source: https://www.industrydocuments.ucsf.edu/docs/jrjy0000

Category Management—
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The Workbook

Step 7: Implement the plan

Category management implementation plan

Category:
Subcategory:
Time Period:

Action	Manufacturer	Distributor	Store Manager
Pricing			
Promotion			
Placement			
Product			

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Source: https://www.industrydocuments.ucsf.edu/docs/jrjy0000

Category Management—
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The Workbook

Step 8: Evaluate the results

Numbers: Evaluate actual accomplishments vs. plan.

Category: _____

Objective	Plan		Actual		
	Per Month	Per Year	Per Month	Per Year	% Change
Sales (in dollars)					
Profit Margin (percentage)					
Gross Profit (in dollars)					
Turnover (times per year)					
ROII (in dollars)					
Others					

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Source: https://www.industrydocuments.ucsf.edu/docs/jrjy0000

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Detail feedback from each of the following groups

Store Managers

Consumers

Competitors

Distributors

Manufacturers

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What changes need to be made?

Communications

Implementation

Pricing

Promotion

Product

Placement

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Category Management—
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A Word of Thanks

As we discussed earlier in the Category Management section, teamwork is key to the category management process. A new partnership and spirit of cooperation must exist. This new spirit is already taking place among the important players. And McLane promises to help it continue. We'd like to thank the many fine manufacturers whose valuable input and feedback made the Category Management section possible.

- Anheuser-Busch, Inc.
- The Coca-Cola Company
- Coors Brewing Co.
- Hershey Chocolate U.S.A.
- L'eggs Products
- M&M/MARS
- Nabisco Biscuit Company
- Nestlé
- Phillip Morris USA
- Pinkerton Group Inc.
- The Procter & Gamble Company
- R.J. Reynolds Tobacco Company
- Swisher International, Inc.
- United States Tobacco
- Veryfine Products, Inc.
- Warner-Lambert Company
- Wm. Wrigley Jr. Company

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Category Management—
The Reference Guide

General Information

Since there are a variety of ways to approach category management—and the research necessary to complete the process—the following section is based on information provided by The Procter and Gamble Company which can serve as an additional helpful guide to sorting out all the details and questions surrounding your Category Management Project.

51846 8140

Source: https://www.industrydocuments.ucsf.edu/docs/jrjy0000

Category Management—
The Reference Guide

General Information

Key element	Develop corporate and department strategies
DESIRED OUTCOME (What will this work produce?)	The outcome of this work is a clear strategy that sets direction for the business and is deployed throughout the entire organization.
PRACTICAL LEARNING (What can be learned from other retailers where this has already been done?)	Currently, most retailers try to be all things to all people. A proactive strategy involves making choices about consumers for more efficient resource allocation. This will be new work for most retailers. Strategy work is difficult and often slow. Ideally, this work will be completed before moving on to category business plans; however, you may choose to begin the business planning with select categories before strategy work has been completed.
KEY BUSINESS QUESTION (What questions need to be answered?)	▲ What are my opportunities in the market? ▲ Given my strengths, weaknesses, opportunities, and threats, what choices will deliver my goals? ▲ Have these choices or strategies been communicated throughout my organization? ▲ Are my department strategies consistent and compatible? ▲ Are my strategies reflected in my use of human resources, capital, technology, etc.?
BUSINESS BENEFIT (Why is this good?)	▲ Clear corporate strategy guides resource allocation decisions to achieve corporate objectives. ▲ Strategy deployment directs all departments and functions toward many corporate goals.

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Category Management—
The Reference Guide

General Information

Strengths, weaknesses, opportunities, threats analysis

Internal factors	External factors
Strengths Things we do better than competition	**Opportunities** Business trends that can help us
Weaknesses Things competition does better than us	**Threats** Business trends that can hurt us

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Source: https://www.industrydocuments.ucsf.edu/docs/jrjy0000

Category Management—
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General Information

Key element	Identify target consumers
DESIRED OUTCOME (What will this work produce?)	The outcome of this work is a clearly defined target consumer. The target consumer is the consumer in the marketplace that best helps you deliver corporate objectives.
PRACTICAL LEARNING (What can be learned from other retailers where this has already been done?)	This concept is difficult to embrace. Many retailers prefer to 'target' all consumers. Current shopper demographics can be quite different from who you believe shoppers to be. Marketing efforts may not meet the needs of current shoppers. By comparing chain shopper demographics with area demographics retailers can identify the kinds of shoppers to which the chain currently appeals.
KEY BUSINESS QUESTION (What questions need to be answered?)	▲ Who is my current consumer? ▲ What consumers will help me deliver my objectives? (Who is my target consumer?) ▲ How can I meet their needs better than my competitors?
BUSINESS BENEFIT (Why is this good?)	▲ Organizational alignment and optimal resource utilization. ▲ Store specific shopper demographic profiles to aid in business planning. ▲ Improved Category Management decisions.
WORK, TOOLS, & RESOURCES What are the steps to follow and things to use in doing the work?)	▲ Determine importance of target consumer. Demonstrate benefits of store loyal consumers. ▲ Clarify the retail market area. ▲ Identify other potential consumer segments. ▲ Decide which consumer segments to target.

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Source: https://www.industrydocuments.ucsf.edu/docs/jrjy0000

Category Management—
The Reference Guide

General Information

Key element	Cross-analyze categories
DESIRED OUTCOME (What will this work produce?)	The outcome of this work is an understanding of the relative contribution categories that make in achieving overall corporate objectives. By understanding a category's importance to the consumer, retailer, and market, retailer can make better choices about category strategy, tactics, and resource allocation.
PRACTICAL LEARNING (What can be learned from other retailers where this has already been done?)	The cross-category analysis demonstrates a category's relative importance by providing consumer, market, supplier, and internal customer measures. Consumer data does not have to be complicated. Simple information such as household penetration or promoted purchases can be used. Be creative and use the best available data (e.g., national rather than local) to accomplish the "spirit" of the analysis.
KEY BUSINESS QUESTION (What questions need to be answered?)	▲ What categories are most important to my target consumers? ▲ What categories are most important in delivering my corporate objectives? ▲ What categories are most important in my market? To my key competitors?
BUSINESS BENEFIT (Why is this good?)	▲ An understanding of the role that each category plays in delivering the customer's objectives. ▲ Guidance in determining strategies and tactics and importantly, allocating resources among categories. ▲ The introduction of key consumer and market measures into the Category Management process.
WORK, TOOLS, & RESOURCES (What are the steps to follow and things to use in doing the work?)	▲ Clarify supplier's role in the process (data source, data collection, analysis assistance). ▲ Determine relevant set of categories to compare. ▲ Collect and analyze the data. ▲ Compare categories. Rank their composite importance to achieving corporate goals.
KEY DIFFERENCES (How is this work different from what is done now?)	▲ Data-based versus intuitive determination of the relative contribution of categories to the overall business.

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Source: https://www.industrydocuments.ucsf.edu/docs/jrjy0000

Category Management—
The Reference Guide

General Information

Measures of category importance from a CONSUMER perspective

Question	Measure	Source
What percent of consumers buy/use this product category?	Household penetration	Household panel date
How often do they buy this category?	Shopping frequency	Household panel date
On what percent of shopping trips is this category purchased?	Closure rate	Household Panel data Retailer transaction log data Scanner data from data vendor (approximate closure rate) Retailer internal POS data (approximate closure rate)
When they buy this category, how much do they spend on the purchase?	Average transaction	Household panel data Scanner data from data vendor Retailer internal POS data
How much does a household spend per year on this category?	Annual household spending	Household panel data
How does this category's purchaser demographics match up vs. target consumer demographics?	Target consumer development	Demographic data

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Source: https://www.industrydocuments.ucsf.edu/docs/jrjy0000

Category Management—
The Reference Guide

General Information

Measures of category importance from a RETAILER perspective

Question	Measure	Source
How much sales (revenue) does the category generate?	Dollar sales	Retailer internal systems
	Cash flow	Retailer Internal Systems
	Sales per square foot	Household panel data
	Sales per transaction	Transaction log data or approximate from scanner data (retailer or vendor)
How profitable is the category?	Profit per square foot	Retailer internal systems
	Gross profit	Retailer internal systems
	Return on Inventory Investment (ROII)	Retailer internal systems
	Cost of goods	Retailer internal systems
How important is the category to the overall shopping trip? (e.g., how large is a total basket containing this category?)	Market basket size	Household Panel Data Transaction Log Data
How important is the category to the overall shopping trip? (e.g., what percent of baskets contain this category?)	Closure rate	Household Panel Data Transaction Log Data or approximate from scanner data

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Category Management—
The Reference Guide

General Information

Measures of category importance from a MARKET perspective

Question	Measure	Source
How large is the category?	Category size	Industry publications Data vendor (scanner or household panel)
How fast is it growing?	Category growth rate (% per year)	Industry publications Data vendor (scanner or household panel)
What is the retailer's share of the category?	Retailer share of category	Data vendor (scanner or household panel)

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Category Management—
The Reference Guide

General Information

SAMPLE CROSS-CATEGORY ANALYSIS

Measure	Category A	Category B	Category C	Etc.
Consumer Measures				
Household Penetration				
Shopping Frequency (trips per year)				
Closure Rate				
Etc.				
Retailer Measures				
Dollar Sales				
Cash Flow				
Sales Per Square Foot				
Etc.				
Market Measures				
Category Size				
Category Growth Rate				
Etc.				

From this table, you can determine where each category ranked vs. the other categories on each of the measures and come up with a composite rank of importance for each category.

For example, if 15 categories are analyzed, and Category A ranks among the top third of those categories in all the measures, then clearly Category A is of high importance. If Category B ranks among the top on some measures, but among the bottom on other measures, it may be considered of medium importance.

The value of this analysis is that it relies on comparison of categories in a data-based manner, including consumer-focused measures, rather than on impressions.

51846 8148

Source: https://www.industrydocuments.ucsf.edu/docs/jrjy0000

Category Management—
The Reference Guide

General Information

Key element	Develop category roles and objectives
DESIRED OUTCOME (What will this work produce?)	The outcome of this work will be: 1. A systematic way of allocating resources to categories; 2. Assigned category roles; and 3. A category objective for each role.
PRACTICAL LEARNING (What can be learned from the retailer where this has already been done?)	Many retailers have informal ways of establishing category objectives and allocating resources. Roles like "loss leader" and "profit builder" usually have a significant but sometimes misdirected impact on budgeting and merchandising decisions. Formal systematic role development is important work and can create a competitive advantage.
KEY BUSINESS QUESTION (What questions need to be answered?)	▲ How do I currently allocate resources to a category? ♦ Capital ♦ Inventory ♦ Shelf space ♦ Time ▲ Are my resource allocations consistent with the category's overall role in delivering my corporate objectives? ▲ How do I currently set an objective for a category? ▲ Is the objective consistent with the category's overall roll in delivering my corporate objectives? ▲ How do I currently establish goals for the category? ▲ Are the goals consistent with the category objective?
BUSINESS BENEFIT (Why is this good?)	▲ Better alignment of corporate strategy and category business plans ▲ More effective resource allocation ▲ Enhanced return on investment
WORK, TOOLS, & RESOURCES (What are the steps to follow and things to use in doing the work?)	▲ Identify the category roles being used today. Understand how these roles affect category resource allocation and objective setting. ▲ Conduct a category assessment: 1. Review the cross-category analysis to understand each category's relative importance. 2. Assess each category's ability to contribute to corporate objectives. 3. Understand the capability and willingness of each category's suppliers to support a given role and objective. ▲ Assign a strategic role and objective based on the assessment findings. ▲ Ensure that category goals are consistent with the assigned category role and objective.

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Category Management—
The Reference Guide

General Information

Selecting the strategic role and objective

CATEGORY ASSESSMENT

- What is the overall assessment of the category?
- How important is the category to the target consumer?
- What contribution does the category provide the retailer?
- How productive is the category?
- What is the growth potential of the category?

CORPORATE STRATEGY

- Can the category help achieve the corporate objectives/goals?
- Is the category, with a particular role, a source of differentiation?
- Can the category, with a particular role, project a certain image to consumers?
- Can the category, with a particular role, help build total consumer satisfaction and loyalty?

SUPPLIER CAPABILITY & STRATEGY

- Are the major suppliers capable of supporting a particular role?
- Are the major suppliers willing to support a particular role?
- How well do the major supplier's strategies align to the strategic role of the category?

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Category Management—
The Reference Guide

Tobacco/General

TREND DATA

	1985	1986	1987	1988	1989	1990	1991	1992	% Change 92 vs. 91
CIGARETTES (billions)									
Taxable removals	595.9	584.2	578.3	544.6	541.6	524.5	521.0	516.1	0.9
Consumption, total (1)	594.0	583.8	575.0	562.5	540.0	525.0	510.0	500.0	-2.0
Per Capita (units) (1)	3,370	3,274	3,197	3,096	2,926	2,817	2,713	2,640	-2.7
Imports	0.9	1.2	1.3	1.2	1.5	1.4	4.7	6.6	+41.5
Exports	59.0	64.0	100.4	118.5	141.8	164.3	179.4	205.6	+14.6
CIGARS (millions)									
Removals for consumption									
Total taxable removals	3,110.2	2,972.5	2,760.7	2,540.8	2,468.0	2,343.5	2,243.7	2,217.4	-1.2
Per capita (units) (2)	37.9	35.8	31.7	29.1	27.9	26.2	24.9	24.1	-3.2
Imports	120.0	112.8	112.6	112.5	102.8	117.7	109.4	111.4	+1.8
Exports	58.6	61.0	66.0	87.1	37.5	32.9	39.9	39.8	-0.1
LITTLE CIGARS (millions)									
Taxable removals	1,225.2	976.3	1,159.2	1,166.7	1,152.6	1,218.3	1,296.2	1,306.8	+0.8
PIPE TOBACCO (mil. lbs.)									
Total consumption	23.5	20.6	19.8	16.7	15.3	14.2	15.7	15.2	-3.4
Domestic sales	18.1	15.6	13.8	12.9	12.1	11.3	10.1	9.5	-5.5
Imports (3)	5.4	5.0	6.0	3.8	3.2	2.8	5.6	5.7	+2.3
Per capita (lbs.) (2) (4)	0.32	0.29	0.27	0.25	0.22	0.20	0.19	0.17	-10.5
OTHER TOBACCO PRODUCTS SALES (mil. lbs.)									
Roll-your-own tobacco	3.7	3.4	3.9	4.7	4.1	4.0	4.6	4.6	+0.4
Chewing tobacco	85.1	78.8	76.4	74.6	72.9	70.7	71.3	67.7	-5.0
Snuff & Fine-Cut	48.6	46.7	45.1	47.8	49.1	51.2	63.4	55.6	+4.0

(1) Persons 18 years and older, including armed forces overseas.
(2) Males 18 years and older, including armed forces overseas.
(3) Major countries.
(4) Also includes roll-your-own.

Computed from data furnished by the Bureau of Alcohol, Tobacco and Firearms, Department of Agriculture, and Department of Commerce.

Source: Tobacco Merchants Association Monitor, January 1994

51846 8151

Source: https://www.industrydocuments.ucsf.edu/docs/jrjy0000

Category Management—
The Reference Guide

Tobacco/General

C-STORE SALES TRENDS

	SALES ($000,000)				
	1988	1989	1990	1991	1992
Tobacco	7,200	7,600	9,000	9,750	10,120
Cigarettes	5,800	6,300	7,400	8,050	8,386
Smokeless tobacco	500	500	630	712	789
Lighters	300	300	380	382	396
Cigars	300	300	320	283	284
Cigarette papers	200	200	180	203	167
Pipes	—	—	—	31	20
Other	100	—	90	89	78

Source: Convenience Store News

Source: https://www.industrydocuments.ucsf.edu/docs/jrjy0000

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Category Management—
The Reference Guide

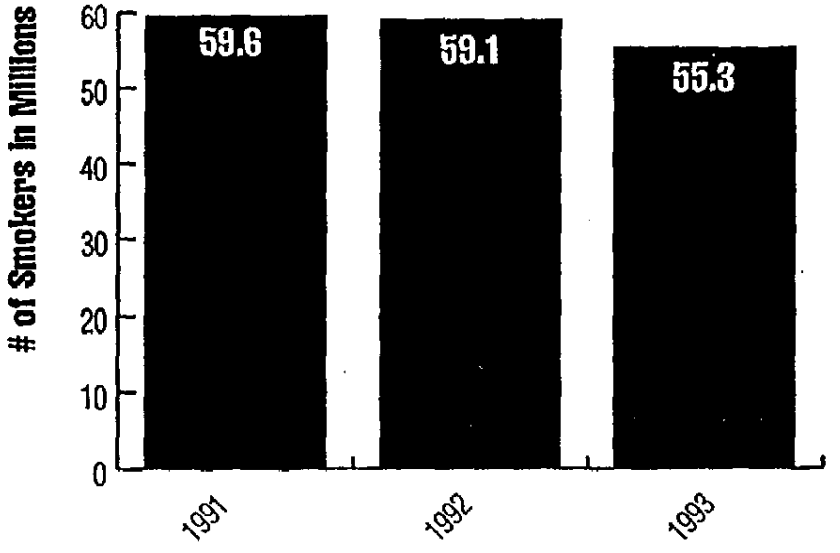
Tobacco/Cigarettes

User profile

According to 1993 Mediamark Research data, the most likely profile of a cigarette purchaser is:

- Male
- Age 18–54
- Black
- High school graduate or did not graduate high school
- Employed full-time
- Single, divorced, or widowed parents
- Living in a household with 3 or more persons
- Living in a household with an income up to $39,999, with most under $19,999
- Living in a household with children of all ages
- Living in the South, Northeast and Northcentral United States

ESTIMATED NUMBER OF SMOKERS 18+ YEARS OLD



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Source: https://www.industrydocuments.ucsf.edu/docs/jrjy0000

Category Management—
The Reference Guide

Tobacco/Cigarettes

INDEX OF CIGARETTE USAGE BY DEMOGRAPHIC CHARACTERISTICS OF ALL ADULTS

Index 100

Age	
18–24	103
25–34	118
35–44	113
45–54	109
55–64	84
65 or over	58
Sex	
Male	110
Female	91
Marital Status	
Married	93
Single	109
Other	112
Parents	113

Educational Status	
Not High School Graduate	116
High School Graduate	109
College Graduate	67
Attended College	97
Household Income	
Less Than $10,000	121
$10,000–19,999	113
$20,000–29,999	106
$30,000–39,999	106
$40,000–49,999	96
$50,000–59,999	94
$60,000–74,999	83
75,000 and over	71
Any Child In Household	
Under 2 Years	115
2 to 5 Years	118
6 to 11 Years	114
12 to 17 Years	107

Census Region	
Northeast	103
South	104
North Central	104
West	86
Employment Status	
Full-Time	105
Part-Time	92
Not Employed	95
Race	
White	98
Black	122
Hispanic	95
Household Size	
1 Person	93
2 Persons	92
3 or More	106

Source: Mediamark Research, Inc.

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Source: https://www.industrydocuments.ucsf.edu/docs/jrjy0000

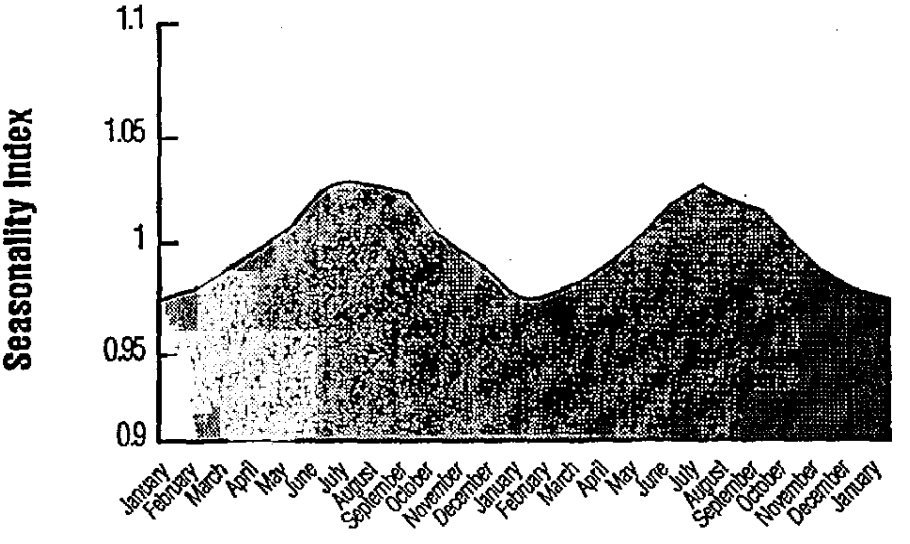
Category Management—
The Reference Guide

Tobacco/Cigarettes

LAST THREE YEARS INDUSTRY SALES

Year	Sales	% Change from previous year
1991	$26.65 billion	–
1992	27.08 billion	+1.6
1993	21.34 billion	-21.2

CIGARETTE SALES SEASONALITY, TOTAL U.S.



Source: Mediamark Research, Inc.

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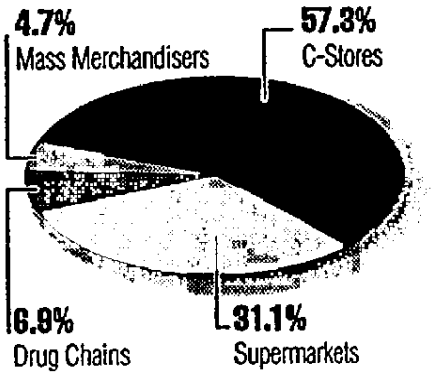
Source: https://www.industrydocuments.ucsf.edu/docs/jrjy0000

Category Management—
The Reference Guide

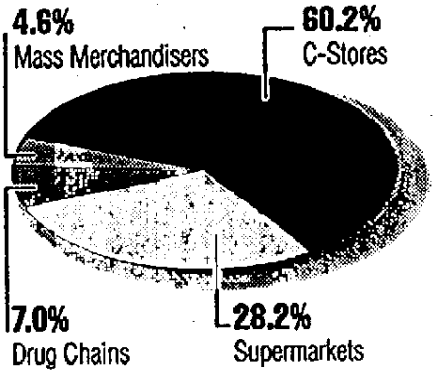
Tobacco/Cigarettes

SHARE OF BUSINESS BY TRADE SEGMENT

1992



1993



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Source: https://www.industrydocuments.ucsf.edu/docs/jrjy0000

Category Management—
The Reference Guide

Tobacco/Cigarettes

TWELVE-MONTH UNIT VOLUME COMPARISONS FOR THE LEADING BRANDS

	1992 Billion $	1992 % Share	1993 Billion $	1993 % Share	% Volume Change	Ranking
Philip Morris						
Marlboro	123.86	24.4	108.47	23.5	(12.4)	1
Basic	11.45	2.2	24.38	5.3	112.9	3
Benson & Hedges	15.51	3.1	11.46	2.5	(26.1)	10
Virginia Slims	13.30	2.6	10.42	2.3	(21.7)	12
Merit	15.31	3.0	10.58	2.3	(30.9)	11
RJR Nabisco						
Winston	34.37	6.8	30.98	6.7	(9.9)	2
Doral	22.13	4.4	21.13	4.6	(4.5)	6
Salem	24.60	4.8	18.09	3.9	(26.5)	7
Camel*	20.63	4.1	17.93	3.9	(13.1)	8
Lorillard						
Newport	24.31	4.8	22.36	4.8	(8.1)	5
Brown & Williamson						
GPC	21.27	4.2	23.69	5.1	11.4	4
Kool*	21.58	4.3	13.89	3.0	(35.6)	9
Total Leading Brands	**348.32**	**68.7**	**313.37**	**67.9**	**(10.0)**	

*Includes filter and non-filter

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Source: https://www.industrydocuments.ucsf.edu/docs/jrjy0000

Category Management—
The Reference Guide

Tobacco/Cigarettes

FOURTH-QUARTER UNIT VOLUME COMPARISONS FOR THE LEADING BRANDS

	1992 Billion $	1992 % Share	1993 Billion $	1993 % Share	% Volume Change	Ranking
Phillip Morris						
Marlboro	32.74	23.8	29.87	24.9	(8.8)	1
Basic	4.10	3.0	6.18	5.2	50.7	5
Benson & Hedges	3.77	2.7	3.06	2.6	(18.8)	10
Virginia Slims	3.57	2.6	2.79	2.3	(21.8)	11
Merit	3.30	2.4	2.67	2.2	(19.1)	12
RJR Nabisco						
Winston	7.59	5.5	7.64	6.4	0.7	2
Doral	5.32	3.9	5.48	4.6	3.0	6
Salem	5.46	4.0	4.73	3.9	(13.4)	7
Camel*	4.85	3.5	4.66	3.9	(3.9)	8
Lorillard						
Newport	6.65	4.8	6.29	5.3	(5.4)	4
Brown & Williamson						
GPC	7.54	5.5	6.38	5.3	(15.4)	3
Kool*	8.19	6.0	4.33	3.6	(47.1)	9

*Includes filter and non-filter

FILTER COMPARISONS 1993 vs. 1992

	Billion Units 1992	Billion Units 1993	Billion Units Change	Market Share 1992	Market Share 1993	Market Share Change
Plain Filter	353.26	326.18	(7.7)	69.7%	70.8%	1.1
Mentholated Filter	131.44	117.16	(10.9)	25.9	25.4	(0.5)
Charcoal Filter	4.85	3.42	(29.5)	1.0	0.7	(0.3)
Total	**489.55**	**446.76**	**(8.7)**	**96.6**	**96.9**	**0.3**
Regular	6.68	5.10	(23.7)	1.3	1.1	(0.2)
King	10.70	9.32	(12.9)	2.1	2.0	(0.1)
Total	506.93	461.18	(9.0)	100.0	100.0	

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Category Management—
The Reference Guide

Tobacco/Cigarettes

VOLUME AND SHARE FOURTH-QUARTER COMPARISONS IN PRICE SEGMENTS
1993 vs. 1992

	Volume Q4-93	Volume Q4-92	% Change	Mkt. Q4-93	Mkt Share Q4-92	Point Share Change
Premium Brands	78.44	91.94	(14.7)	65.5 %	66.9 %	(1.4)
Deep Discount	26.92	27.78	(3.1)	22.5	20.2	2.3
Branded Discount	13.80	16.94	(18.5)	11.5	12.3	(0.8)
Price Off	0.42	0.46	(8.7)	0.3	0.4	(0.1)
Value 25s	0.22	0.30	(26.7)	0.2	0.2	—
Total Discount Brands	41.36	45.48	(9.1)	34.5	33.1	1.4
Total Consumption	**119.80**	**137.42**	**(12.8)**	**100.0 %**	**100.0 %**	—

Note: Totals may not add due to rounding

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Source: https://www.industrydocuments.ucsf.edu/docs/jrjy0000

Category Management—
The Reference Guide

Tobacco/Cigarettes

Top 260 brand rankings

TOTAL UNITED STATES

	Rank	Share	Cumulative
Marlboro KSF B	1	5.75	5.75
Marlboro LT KSF B	2	4.44	10.19
Marlboro KSF	3	3.47	13.65
Marlboro LT KSF	4	3.13	16.79
Winston KSF	5	1.99	18.78
Newport KSF M	6	1.58	20.36
Newport KSF M B	7	1.46	21.82
Kool KSF M	8	1.38	23.21
Marlboro LT 1 00 B	9	1.35	24.56
Marlboro LT 100	10	1.34	25.90
Marlboro 100 B	11	1.02	26.92
Pall Mall Ks NF	12	1.01	27.93
Winston LT KSF	13	1.00	28.94
Salem KSF M	14	0.94	29.88
Marlboro 100	15	0.94	30.82
Basic FF KSF	16	0.90	31.72
Salem LT KSF M	17	0.85	32.58
Basic FF 100	18	0.85	33.42
Doral 100 DSCT	19	0.83	34.25
Camel 70 NF	20	0.79	35.04
GPC FF 100	21	0.76	35.80
Basic LT 100	22	0.75	36.55
GPC FF KSF	23	0.74	37.29
Basic LT KSF	24	0.70	37.99
Newport 100 M	25	0.69	38.68
Camel LT KSF	26	0.69	39.37
Winston 100	27	0.68	40.05
Doral KSF DSCT	28	0.63	40.68
Doral FF 100 DSCT	29	0.62	41.30
Winston LT 100	30	0.62	41.91
Marlboro Medium KSF B	31	0.60	42.51
Basic LT 100 M	32	0.59	43.11
Camel KSF	33	0.58	43.69
Pvtlb Rjr FF 100	34	0.58	44.27
Salem LT 100 M	35	0.57	44.83
Salem 100 M	36	0.56	45.40
Basic Ult 100	37	0.53	45.93
Doral Ult 100 DSCT	38	0.53	46.46
GPC LT 100	39	0.53	46.99
Kool 100 M	40	0.52	47.52
Best Value FF 100	41	0.50	48.02
Doral FF KSF DSCT	42	0.50	48.52
Doral 100 M DSCT	43	0.49	49.01
Vantage KSF	44	0.49	49.50
GPC Ult 100	45	0.49	49.99
B&H 100 M	46	0.49	50.48
Pvtlb Rjr Ft KSF	47	0.48	50.96
Camel LT KSF B	48	0.46	51.42
Pvtlb Rj R LT 100	49	0.45	51.87
Best Value FF KSF	50	0.44	52.30
Newport 100 M B	51	0.44	52.74
Cambridge LT 100 DSCT	52	0.41	53.15
GPC LT KSF	53	0.41	53.56
Monarch FF 100	54	0.40	53.96
Winston Select KSF	55	0.40	54.36
B&H Dlx Ult 100 B	56	0.39	54.75
Merit KSF	57	0.39	55.14
GPC LT 100 M	58	0.38	55.52
Viceroy KSF DSCT	59	0.37	55.90
Basic LT KSF M	60	0.37	56.26

KSF = King Size Filter
B = Box
LT = Light
FF = Full Flavor
M = Menthol
NF = Non-Filter
DSCT = Discount
PVTLB = Private Label

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Source: https://www.industrydocuments.ucsf.edu/docs/jrjy0000

Category Management—
The Reference Guide

Tobacco/Cigarettes

Top 260 brand rankings

TOTAL UNITED STATES (cont)

	Rank	Share	Cumulative
B&H 100	61	0.36	56.63
Kool Mld KSF M	62	0.36	56.99
Salem Slm LT 100 M B	63	0.36	57.34
Merit Ult KSF	64	0.35	57.70
Monarch LT 100	65	0.35	58.05
Pvtlb Rjr Ult 100	66	0.35	58.40
Camel KSF B	67	0.34	58.74
B&H Dlx Ult 100 M B	68	0.34	59.08
Salem Ult 100 M	69	0.34	59.42
Pvtlb Rjr LT 100 M	70	0.33	59.75
Winston Select KSF B	71	0.33	60.08
Marlboro Medium KSF	72	0.33	60.41
V Slims LT 100 M B	73	0.33	60.74
V Slims 100	74	0.32	61.06
Carlton 100	75	0.32	61.38
Monarch FF KSF	76	0.32	61.70
Merit 100	77	0.32	62.02
Best Value LT 100	78	0.31	62.33
GPC FF KSF B	79	0.31	62.64
Winston KSF B	80	0.31	62.95
Pvtlb RJR LT KSF	81	0.31	63.25
Cambridge Ult 100 DSCT	82	0.31	63.56
Parliament LT KSF B	83	0.29	63.86
Basic Ult KSF	84	0.29	64.15
V Slims 100 M	85	0.29	64.43
GPC FF 100 M	86	0.28	64.72
V Slims LT 1 00 B	87	0.28	65.00
Kool KSF M B	88	0.28	65.28
Monarch LT 1 00 M	89	0.28	65.56
Doral KSF M DSCT	90	0.28	65.84
Lucky Strike 70 NF	91	0.28	66.12
Cambridge LT KSF DSCT	92	0.28	66.39
Merit Ult 100	93	0.27	66.67
Now 100	94	0.27	66.94
Cambridge FF 100 DSCT	95	0.27	67.21
B&H LT 100 M	96	0.27	67.47
Monarch Ult 100	97	0.27	67.74
Kent KSF	98	0.27	68.01
Best Value Ult 1 00	99	0.26	68.27
V Slims LT 120 B	100	0.26	68.53
Doral FF 100 M DSCT	101	0.26	68.79
Best Value LT 100 M	102	0.25	69.05
Monarch LT KSF	103	0.25	69.30
Parliament LT 100 (C)	104	0.25	69.55
Carlton KSF	105	0.25	69.80
Carlton 100 B	106	0.25	70.04
B&H LT 100	107	0.25	70.29
Winston Select LT KSF	108	0.25	70.54
V Slims Ult 100 B	109	0.24	70.78
Misty Slim LT 100 M B DSCT	110	0.24	71.02
Salem Ult KSF M	111	0.24	71.26
Vantage 100	112	0.24	71.49
Viceroy 100 DSCT	113	0.24	71.73
Cambridge LT 100 M DSCT	114	0.24	71.97
More 120	115	0.24	72.20
More 120 M	116	0.23	72.44
Marlboro KSF M	117	0.23	72.67
Newport LT KSF M B	118	0.23	72.90
GPC Ult KSF	119	0.22	73.12
GPC LT KSF M	120	0.22	73.34
Best Value LT KSF	121	0.22	73.56
Misty Slim LT 100 B DSCT	122	0.21	73.78
Pvtlb Atc FF 100	123	0.21	73.98
GPC Ks NF	124	0.21	74.19
Cambridge FF KSF DSCT	125	0.21	74.40
V Slims Ult 100 M B	126	0.21	74.60
Pall Mall 100	127	0.20	74.81
Doral FF KSF M DSCT	128	0.20	75.01
Winston Ult L00	129	0.20	75.22
Pvtlb Atc FF KSF	130	0.20	75.42
Doral Ult KSF DSCT	131	0.20	75.62
GPC FF KSF M	132	0.20	75.82

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Source: https://www.industrydocuments.ucsf.edu/docs/jrjy0000

Category Management—
The Reference Guide

Tobacco/Cigarettes

Top 260 brand rankings

TOTAL UNITED STATES (cont)

	Rank	Share	Cumulative
Winston Select LT KSF B	133	0.20	76.02
Kent 100	134	0.20	76.22
Camel Spc LT KSF B	135	0.20	76.41
Montclair LT 100	136	0.20	76.61
Marlboro LT KSF M B	137	0.19	76.81
Newport LT KSF M	138	0.19	77.00
Winston Select LT 100	139	0.19	77.19
Winston Ult KSF	140	0.19	77.38
Tareyton KSF (C)	141	0.19	77.57
True KSF	142	0.19	77.76
V Slims LT 120 M B	143	0.19	77.95
Montclair 100	144	0.18	78.13
Capri 97 B	145	0.18	78.31
Tareyton 100 (C)	146	0.18	78.50
Vantage Ult KSF	147	0.18	78.68
Vantage Ult 100	148	0.18	78.86
Best Buy Ff 100	149	0.18	79.03
Now 100 M	150	0.17	79.21
Pvtlb Atc LT 100	151	0.17	79.38
Camel Spc LT 100 B	152	0.17	79.55
Merit KSF B	153	0.17	79.72
Pvtlb RJR LT KSF M	154	0.17	79.88
Marlboro Medium 100 B	155	0.17	80.05
Best Buy FF KSF	156	0.16	80.21
Kent III 100	157	0.16	80.38
Monarch FF 100 M	158	0.16	80.54
Raleigh Ext FF 100	159	0.16	80.70
Merit Ult KSF B	160	0.16	80.86
Basic Ks NF	161	0.16	81.02
GPC LT KSF B	162	0.16	81.17
Raleigh Ext FF KSF	163	0.15	81.33
True 100	164	0.15	81.48
Pvtlb Lig LT L00	165	0.15	81.62
Montclair Ult 100	166	0.15	81.77
Capri 97 M B	167	0.15	81.92
Monarch LT KSF M	168	0.14	82.06
Winston LT KSF B	169	0.14	82.21
Raleigh Ext LT 100	170	0.14	82.35
Kent III KSF	171	0.14	82.49
Pvtlb Atc LT KSF	172	0.14	82.63
Kent Golden LT KSF	173	0.14	82.77
Pvtlb RJR Ult KSF	174	0.14	82.90
Camel LT 100	175	0.14	83.04
Pvtlb Lig Ult 100	176	0.14	83.18
GPC Ff 100 B	177	0.13	83.31
Camel Wide 79 B	178	0.13	83.45
Carlton 100 M	179	0.13	83.58
Marlboro LT 100 M B	180	0.13	83.71
Winston Select Stm LT 100 B	181	0.13	83.83
Alpine LT 100 M DSCT	182	0.13	83.96
Marlboro Medium 100	183	0.13	84.09
Pvtlb Lig FF 100	184	0.12	84.21
Pvtlb Atc LT 100 M	185	0.12	84.33
Genco FF 100	186	0.12	84.46
Kent Golden LT 100	187	0.12	84.58
Eve LT 120 B	188	0.12	84.70
Camel Spc LT KSF	189	0.12	84.82
Marlboro KSF (25)	190	0.12	84.94
L + M KSF	191	0.12	85.05
Genco Ff KSF	192	0.12	85.17
Pvtlb Atc Ult 100	193	0.12	85.29
Montclair LT 100 M	194	0.11	85.40
Best Value LT KSF M	195	0.11	85.52
Pvtlb Lig LT 100 M	196	0.11	85.63
Carlton 120	197	0.11	85.74
Viceroy LT 100 DSCT	198	0.11	85.85
Misty Slim Ult 100 M B DSCT	199	0.11	85.95
Camel Wide LT 79 B	200	0.11	86.06
Best Buy LT 100	201	0.11	86.17
Pvtlb Lig LT KSF	202	0.11	86.27
Merit Ult KSF M	203	0.10	86.38
Monarch Ult KSF	204	0.10	86.48

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Source: https://www.industrydocuments.ucsf.edu/docs/jrjy0000

Category Management—
The Reference Guide

Tobacco/Cigarettes

Top 260 brand rankings

TOTAL UNITED STATES (cont)

	Rank	Share	Cumulative
Parliament LT KSF	205	0.10	86.59
Raleigh Ext LT KSF	206	0.10	86.69
Magna FF KSF DSCT	207	0.10	86.79
Kool Mld 100 M	208	0.10	86.90
Monarch FF KSF M	209	0.10	87.00
Pvtlb Lig FF KSF	210	0.10	87.10
Capri 120 B	211	0.10	87.20
Now KSF	212	0.10	87.30
Cambridge LT KSF M DSCT	213	0.10	87.39
Chesterfield KS NF	214	0.10	87.49
Misty Slim Ult 100 B DSCT	215	0.09	87.59
Montclair KSF	216	0.09	87.68
Vantage KSF M	217	0.09	87.77
Alpine 100 M DSCT	218	0.09	87.87
Best Value Ult KSF	219	0.09	87.96
Viceroy LT KSF DSCT	220	0.09	88.05
True 100 M	221	0.09	88.14
Basic FF KSF M	222	0.09	88.23
Sterling LT 100 DSCT	223	0.09	88.32
True KSF M	224	0.09	88.41
Montclair LT KSF	225	0.09	88.50
Kool Mld KSF M B	226	0.09	88.59
Capri 120 M B	227	0.09	88.68
G.P.A. FF 100	228	0.09	88.76
Best Buy FF 100 M	229	0.09	88.85
V Slims Sslm L00 M B	230	0.09	88.94
Merit Ult 100 M	231	0.08	89.02
Genco LT 100	232	0.08	89.11
B&H 100 B	233	0.08	89.19
Best Buy LT KSF	234	0.08	89.27
Pvtlb RJR Ks NF	235	0.08	89.35
Alpine LT KSF M DSCT	236	0.08	89.43
Best Buy Ult 1 00	237	0.08	89.51
Belair KSF M	238	0.08	89.59
G.P.A. FF KSF	239	0.08	89.67
Genco Ult 100	240	0.08	89.75

	Rank	Share	Cumulative
Merit Ult 100 B	241	0.08	89.83
Old Gold KSF DSCT	242	0.08	89.91
Magna FF KSF B DSCT	243	0.08	89.99
Gpc LT 100 B	244	0.08	90.06
Saratoga 120 b	245	0.08	90.14
Century LT 100 250	246	0.08	90.22
Genco LT KSF	247	0.08	90.29
Alpine KSF M DSCT	248	0.07	90.37
Best Value FF 100 M	249	0.07	90.44
Pyramid LT L00	250	0.07	90.52
Best Buy LT 100 M	251	0.07	90.59
Monarch KS NF	252	0.07	90.66
Kool LT KSF M	253	0.07	90.74
Marlboro LT KSF (25)	254	0.07	90.81
Pvtlb Alc LT KSF M	255	0.07	90.88
Pvtlb RJR FF 100 M	256	0.07	90.96
Carlton KSF M	257	0.07	91.03
Eve LT 120 M B	258	0.07	91.10
Misty Slim LT 120 M B DSCT	259	0.07	91.17
Merit Ultima KSF	260	0.07	91.24

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Source: https://www.industrydocuments.ucsf.edu/docs/jrjy0000

Category Management—
The Reference Guide

Tobacco/Cigarettes

Regional brand share rankings

REGION 1--NORTHEAST

	All Outlets Combined
Tot Marlboro	31.59
Tot Newport	9.05
Tot Winston	5.61
Tot Merit	4.54
Tot Salem	4.15
Tot Camel	3.39
Tot Monarch	2.79
Tot V Slims	2.62
Tot Kool	2.49
Tot Parliament	2.37
Tot Basic	2.26
Tot Doral	2.21
Tot GPC	2.09
Tot B&H	2.06
Tot Pm Private Label	1.81
Tot RJR Private Label	1.74
Tot Carlton	1.71
Tot Kent	1.61
Tot Pall Mall	1.36
Tot True	1.23
Tot Montclair	1.18
Tot Cambridge	0.99
Tot Misty	0.98
Tot Vantage	0.81
Tot Now	0.76
Tot Viceroy	0.66
Tot Tareyton	0.62
Tot Atc Private Label	0.58
Tot Capri	0.56
Tot Old Gold	0.52
Tot More	0.52
Tot Lucky Strike	0.50
Tot Lig Private Label	0.39
Tot Alpine	0.37
Tot Eve	0.30
Tot Style	0.30
Tot L + M	0.23
Tot Lark	0.20

	All Outlets Combined
Tot Magna	0.18
Tot Sterling	0.18
Tot Best Value	0.17
Tot Raleigh Ext	0.17
Tot Chesterfield	0.16
Tot Century	0.15
Tot Belair Prem	0.14
Tot Pyramid	0.13
Tot Raleigh	0.12
Tot A/O Selct	0.11
Tot Riviera	0.09
Tot Bristol	0.09
RJR Ast	0.07
Tot All American	0.06
Tot Max	0.06
Tot Saratoga	0.05
Tot Bucks	0.05
Tot Players Black	0.04
Tot American Lt/Fl	0.04
Tot Players Lt (25)	0.03
Tot Dunhill	0.03
Tot Commander	0.03
Tot Richland 20	0.02
Tot Multifit	0.02
Tot Malibu	0.02
Tot AO Generic	0.01
Tot Rothmans	0.01
Tot Satin	0.01
Tot Collectors Choice	0.01
Tot Bull Durham	0.01
Tot Tall	0.01
Tot Triumph	0.01
Tot Silva Thins	0.01
Tot Harley Davidson	0.01
Tot Export	0.00
Tot Jasmine	0.00
Tot Class A	0.00
Total Premium	75.35
Total Discount	16.04

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Source: https://www.industrydocuments.ucsf.edu/docs/jrjy0000

Category Management—
The Reference Guide

Tobacco/Cigarettes

Regional brand share rankings

REGION 2–SOUTHEAST

	All Outlets Combined
Tot Marlboro	25.84
Tot Winston	7.36
Tot Doral	6.13
Tot Basic	5.41
Tot Salem	4.69
Tot Newport	4.46
Tot RJR Private Label	3.60
Tot V Slims	3.40
Tot Camel	3.34
Tot Kool	3.13
Tot GPC	3.10
Tot B&H	2.97
Tot Merit	2.56
Tot Vantage	2.27
Tot Lig Private Label	1.80
Tot Cambridge	1.57
Tot Monarch	1.55
Tot Carlton	1.39
Tot Montclair	1.21
Tot Viceroy	1.21
Tot Misty	1.21
Tot Kent	1.04
Tot PM Private Label	0.93
Tot Pall Mall	0.92
Tot Best Value	0.82
Tot Capri	0.78
Tot Raleigh Ext	0.71
Tot Now	0.66
Tot More	0.54
Tot Alpine	0.50
Tot True	0.49
Tot ATC Private Label	0.48
Tot ATC Private Label	0.48
Tot Style	0.42
Tot Bristol	0.34
Tot Sterling	0.32
Tot Parliament	0.31
Tot Tareyton	0.30
Tot Magna	0.25

	All Outlets Combined
Tot Lucky Strike	0.24
Tot Eve	0.19
Tot Century	0.12
Tot Barclay	0.12
Tot L + M	0.11
Tot Raleigh	0.10
Tot Pyramid	0.09
Tot All American	0.09
Tot AO Generic	0.08
Tot Saratoga	0.08
Tot Belair Prem	0.08
Tot Lark	0.07
Tot Chesterfield	0.06
Tot Harley Davidson	0.06
Tot Riviera	0.05
Tot Richland 20	0.05
Tot Bucks	0.05
Tot A/O Selct Intnat	0.04
RJR Ast/Promo	0.03
Tot Max	0.03
Tot American Lt/Flt	0.02
Tot Malibu	0.01
Tot Savannah	0.01
Tot Covington	0.01
Tot Commander	0.01
Tot Satin	0.01
Tot Bull Durham	0.01
Tot Silva Thins	0.01
Tot Players Black	0.01
Tot Players Lt (25)	0.01
Tot Multifit	0.01
Tot Tall	0.01
Tot Old Gold	0.01
Tot Triumph	0.01
Tot Horizon	0.01
Tot Du Maurier	0.00
Tot C Players	0.00
Tot Jasmine	0.00
Total Premium	63.36
Total Discount	28.52

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Source: https://www.industrydocuments.ucsf.edu/docs/jrjy0000

Category Management—
The Reference Guide

Tobacco/Cigarettes

Regional brand share rankings

REGION 3–SOUTHWEST

	All Outlets Combined
Tot Marlboro	27.08
Tot RJR Private Label	5.92
Tot Winston	5.83
Tot Doral	5.80
Tot GPC	5.18
Tot Basic	3.66
Tot Camel	3.62
Tot Salem	3.56
Tot V Slims	3.22
Tot Kool	3.13
Tot B&H	2.73
Tot Cambridge	2.67
Tot Merit	2.26
Tot Pm Private Label	2.24
Tot Best Value	2.17
Tot Monarch	2.03
Tot Vantage	1.65
Tot Carlton	1.34
Tot Newport	1.30
Tot Lig Private Label	1.08
Tot Misty	1.01
Tot Montclair	0.95
Tot Kent	0.92
Tot Pall Mall	0.85
Tot Viceroy	0.83
Tot Capri	0.76
Tot ATC Private Label	0.69
Tot More	0.62
Tot Raleigh Ext	0.61
Tot Now	0.61
Tot Harley Davidson	0.45
Tot Style	0.42
Tot Bristol	0.41
Tot True	0.39
Tot Eve	0.35
Tot Pyramid	0.34
Tot Alpine	0.33
Tot Tareyton	0.29

	All Outlets Combined
Tot Class A	0.22
Tot Sterling	0.22
Tot Magna	0.21
Tot Old Gold	0.18
Tot Saratoga	0.18
Tot Lucky Strike	0.16
Tot Parliament	0.15
Tot Covington	0.14
Tot Raleigh	0.12
Tot Belair Prem	0.12
Tot Century	0.11
Tot AO Generic	0.10
Tot L + M	0.10
Tot Barclay	0.07
Tot Players Lt(25)	0.06
RJR Ast/Promo	0.05
Tot Chesterfield	0.05
Tot All American	0.05
Tot Lark	0.05
Tot Richland 20	0.04
Tot Max	0.04
Tot Bucks	0.04
Tot A/0 Selct	0.03
Tot Silva Thins	0.02
Tot Riviera	0.02
Tot Malibu	0.02
Tot Satin	0.02
Tot American Lt/Flt	0.02
Tot Commander	0.01
Tot Savannah	0.01
Tot Tall	0.01
Tot Multifit	0.01
Tot Players Black	0.01
Tot Bull Durham	0.01
Tot Triumph	0.00
Tot Dunhill	0.00
Tot Other Liggett	0.00
Tot Horizon	0.00
Total Premium	57.47
Total Discount	27.63

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Source: https://www.industrydocuments.ucsf.edu/docs/jrjy0000

Category Management—
The Reference Guide

Tobacco/Cigarettes

Regional brand share rankings

REGION 4–NORTHWEST

	All Outlets Combined
Tot Marlboro	25.75
Tot Basic	6.66
Tot Winston	6.07
Tot Camel	4.58
Tot Salem	4.33
Tot Doral	4.32
Tot GPC	3.96
Tot Kool	3.80
Tot Newport	3.72
Tot Merit	3.15
Tot RJR Private Label	2.85
Tot Monarch	2.69
Tot V Slims	2.54
Tot Pm Private Label	2.47
Tot Cambridge	2.19
Tot B&H	1.66
Tot Pall Mall	1.27
Tot Carlton	1.20
Tot Vantage	1.17
Tot Misty	1.13
Tot Kent	1.01
Tot ATC Private Label	1.01
Tot Montclair	0.96
Tot Best Value	0.92
Tot Lig Private Label	0.80
Tot Now	0.73
Tot Alpine	0.61
Tot More	0.59
Tot Capri	0.54
Tot True	0.52
Tot Raleigh Ext	0.52
Tot Old Gold	0.49
Tot Tareyton	0.41
Tot Lucky Strike	0.35
Tot Style	0.33
Tot Parliament	0.28
Tot Eve	0.27
Tot Century	0.26
Tot Sterling	0.26
Tot Magna	0.23
Tot Belair Prem	0.22
Tot Pyramid	0.20
Tot Barclay	0.16
Tot L + M	0.15
Tot Richland 20	0.14
Tot Raleigh	0.13
Tot Bristol	0.12
Tot All American	0.11
Tot Chesterfield	0.10
Tot Lark	0.09
Tot Bucks	0.07
Tot Saratoga	0.06
Tot Players Lt (25)	0.06
Tot A/O Selct	0.05
RJR Ast/Promo	0.05
Tot Max	0.05
Tot Riviera	0.04
Tot Harley Davidson	0.04
Tot Malibu	0.04
Tot Satin	0.03
Tot Commander	0.03
Tot Players Black	0.03
Tot Tall	0.02
Tot American Lt/Flt	0.02
Tot Multifit	0.02
Tot Collectors	0.02
Tot Silva Thins	0.01
Tot Triumph	0.01
Tot Dunhill	0.01
Tot Bull Durham	0.01
Tot AO Generic	0.01
Tot Class A	0.00
Tot Jasmine	0.00
Tot Spring	0.00
Tot Savvy	0.00
Total Premium	59.05
Total Discount	30.33

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Category Management—
The Reference Guide

Tobacco/Cigarettes

Regional brand share rankings

REGION 5–WESTERN

	All Outlets Combined
Tot Marlboro	29.54
Tot GPC	9.25
Tot Camel	6.93
Tot RJR Private Label	6.79
Tot Winston	4.08
Tot B&H	3.86
Tot Basic	3.44
Tot Doral	2.58
Tot Merit	2.50
Tot V Slims	2.48
Tot Salem	2.44
Tot Kool	2.37
Tot Best Value	2.01
Tot Monarch	1.91
Tot Newport	1.60
Tot Carlton	1.49
Tot Cambridge	1.46
Tot ATC Private Label	1.35
Tot PM Private Label	1.34
Tot Pall Mall	1.18
Tot Montclair	1.18
Tot Kent	1.02
Tot More	0.94
Tot Capri	0.80
Tot Vantage	0.65
Tot Viceroy	0.61
Tot Now	0.55
Tot Misty	0.54
Tot True	0.53
Tot Tareyton	0.52
Tot Parliament	0.42
Tot Old Gold	0.40
Tot Lig Private Label	0.39
Tot Lucky Strike	0.24
Tot Saratoga	0.23
Tot Eve	0.23
Tot Style	0.19
Tot Raleigh Ext	0.16
Tot A/O Selct	0.15
Tot Alpine	0.14
Tot AO Generic	0.12
Tot Century	0.11
Tot Barclay	0.09
Tot Raleigh	0.09
RJR Ast/Unid Promo	0.08
Tot Belair Prem	0.08
Tot L + M	0.07
Tot American Lt/Fit	0.07
Tot Chesterfield	0.07
Tot Lark	0.06
Tot Players Lt (25)	0.05
Tot Bucks	0.05
Tot Magna	0.04
Tot Players Black	0.04
Tot Sterling	0.03
Tot Malibu	0.03
Tot Max	0.03
Tot Special 10	0.03
Tot Riviera	0.02
Tot Bristol	0.02
Tot Richland 20	0.02
Tot Export	0.02
Tot C Players	0.01
Tot Silva Thins	0.01
Tot Bull Durham	0.01
Tot Dunhill	0.01
Tot Satin	0.01
Tot Pyramid	0.01
Tot Tall	0.01
Tot Commander	0.01
Tot Multifit	0.01
Tot Du Maurier	0.01
Tot PM International	0.01
Tot Class A	0.01
Tot Matinee	0.01
Tot All American	0.01
Total Premium	59.61
Total Discount	32.12

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